

**YAKIMA COUNTY, WASHINGTON**  
**January 1, 1995 Through December 31, 1995**

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**Schedule Of Findings**

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1. County Public Works Department Should Comply With Laws Governing Requests For Public Records

The public works department did not respond or provide public records within five days of receiving record requests, as required by state law. The following two instances were noted:

- a. A January 16, 1996, request for information about fire and life safety permit fees and costs had not been answered as of the time of our audit in August 1996.
- b. A May 2, 1995, request for public records was not responded to until the end of May 1995 after further verbal requests were made for the same information.

RCW 42.17.320 states in part:

Responses to requests for public records shall be made promptly by agencies within five business days of receipt.

Public works officials stated that they did not respond to item a. above because they didn't have the information requested available in the county records. In addition, they explained that they never received the request described in item b.

Our audit disclosed that the information requested January 16, 1996, was not available on the system; however, county management did not respond to the person who filed the request within five days as required in the statute above. In addition, our audit disclosed that the May 2, 1995, letter was received on that day by county personnel in the accounting division of public works and then forwarded to the public works engineering department. However, we were unable to verify that the request forwarded was received by the public works engineering department.

As a result, the public is denied timely information on government operations and confidence in government is diminished.

We recommend that the public works department comply with RCW 42.17.320 as described above.

2. The County Assessor Should Ensure Properties Which Change From Exempt To Taxable Status Are Properly Recorded On The Assessment Rolls

Properties sold by governmental entities to private individuals or businesses during 1993 through 1995 did not always have tax exemption status removed in a timely manner.

Out of the properties tested, we found 15 instances of government properties sold to the private sector during 1993 through 1995 which were not placed on the taxable property assessment roll in the following year. The taxes not billed for these properties amounted to at least \$14,850 in lost tax revenue to government entities.

The current procedures used for recording a change from exempt to taxable status are not designed to recognize and correct the above discrepancies, and would have allowed these properties to continue their exempt status indefinitely.

RCW 84.36.855 states:

Property which changes from exempt to taxable status shall be subject to the provisions of RCW 84.36.810 and 84.40.350 through 84.40.390, and the assessor shall also place the property on the assessment roll for taxes due and payable in the following year.

The assessor indicated the cause of these omissions was computer system changes and understaffing.

We recommend that the county assessor implement internal control policies and procedures to ensure compliance with applicable state laws and regulations as specified above.

3. The County Assessor Should Comply With Statutes Concerning New Construction

Our audit of compliance with statutes concerning new construction disclosed that 14 properties out of 28 tested were not in compliance with one or more of the following statutes.

- a. Eight instances were noted which did not have a physical inspection within 12 months.

RCW 36.21.070 states:

Upon receipt of a copy of a building permit, the county assessor shall, within twelve months of the date of issue of such permit, proceed to make a physical appraisal of the buildings . . . covered by the permit.

- b. Four instances were noted where the properties were not put on the tax rolls timely.

RCW 36.21.080 states:

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued . . . on the assessment rolls for the purposes of tax levy up to August 31st of each year.

- c. Two instances were noted in which mobile homes were not placed on the tax rolls timely.

RCW 36.21.090 states:

When any mobile home first becomes subject to assessment for property taxes in this state, the county assessor is authorized to place the mobile home on the assessment rolls for purposes of tax levy up to August 31st of each year . . . .

When new building construction or newly placed mobile homes are not placed on the assessment rolls when eligible, county and state governments lose an undetermined amount of tax revenues and taxpayers may carry an unequitable share of the tax burden.

The assessor indicated the cause of these omissions was understaffing.

We recommend the county assessor comply with statutes governing new construction. A system should be developed to ensure that properties are inspected and placed on the assessment rolls as allowed by the above referenced statutes.

4. Internal Controls Over Travel Reimbursements Should Be Improved

Our audit revealed the following weaknesses with the reimbursement of travel expenses:

- The travel policy adopted by the county commissioners does not require receipts for meals charged. Additionally, it does not establish limits for meals or hotel costs charged.
- Authorization and determination of reasonableness of travel reimbursements are performed by each department head. Without the establishment of limits for meals and hotel costs charged, no provisions exist for consistency among departments.

Resolution 512 - 1976 states:

Board intends to establish policy regulations which provide for the consistent administration of the reimbursement of said travel expenses.

An internal control system consists of the plan of organization, methods, and procedures adopted by management to ensure that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data is obtained, maintained, and fairly disclosed in reports.

AU Section 319.69 (2) states that:

. . . Establishing and maintaining an internal control structure is an important management responsibility. In establishing specific internal control structure policies and procedures concerning an entity's ability to record, process, and summarize . . . some of the specific objectives management may wish to consider include the following:

- Transactions are executed in accordance with management's general or specific authorization . . .
- Access to assets is permitted only in accordance with management's authorization . . . .

RCW 42.24.090 states in part:

No claim for reimbursement of any expenditures by officers or employees of any municipal corporation or political subdivision of the state for transportation, lodging, meals or any other purpose shall be allowed by any officer, employee or board charged with auditing accounts unless the same shall be presented in a detailed account . . . All claims authorized under this section shall be duly certified by the officer or employee submitting such claims on forms and in the manner prescribed by the state auditor.

RCW 43.09.200 states in part:

. . . The accounts shall show receipt, use, and disposition of all public property, and the income, if any, derived therefrom . . . all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction . . . .

Without a policy that requires receipts to support the validity of an expense, the possibility that irregularities could occur and not be detected increases. It also does not provide for consistency among departments.

The county believes current procedures used are adequate.

We recommend that county management require receipts for meal costs charged in order to support the validity of expenses.